

FISCAL NOTE

SB 2904 - HB 3096

March 24, 2006

SUMMARY OF BILL: Makes various changes to the "Postsecondary Education Authorization Act of 1974" which include: authorizing equity between renewal fees paid by institutions located in Tennessee and those out-of-state institutions that recruit Tennessee students; and revising the fee assessment process for the Tuition Guaranty Fund (TGF), which is a self-insurance program to protect students when an institution closes without providing all students the educational benefit for which they have pre-paid.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$39,600/THEC Reserve Acct.

Assumptions:

- Current statute provides that reauthorization fees for out-of-state institutions that recruit Tennessee students must be a flat fee, although there is no such restriction for in-state institutions.
- Reauthorization fees for in-state institutions are set by a graduated fee schedule based on the respective institution's gross tuition revenue.
- Under the provisions of this bill, the flat rate requirement for out-of-state institutions is removed and the in-state schedule would be applied to these institutions as well. The increase in state revenues from removing the flat rate requirement is estimated to be approximately \$39,600.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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